



DATA. TRANSFORMATION. EXPERIENCE.

Optimizing your SAP RISE & S/4HANA transformations for flawless go-lives

White paper

Whether you're looking to reduce costs, accelerate growth, or integrate a new business into your enterprise, a strategic migration to SAP S/4HANA can be the cornerstone of transforming your business and positioning it for future success.

When done correctly, a move of this kind positively impacts your entire organization, but it needs to be guided by a fully engaged C-level team to create the greatest possible value.



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Introduction: Why CEOs should care about the move to SAP S/4HANA

Does your organization need to move to S/4HANA? Do you have a solid business case for the move? What are the risks of migrating? What are the costs of not migrating? Is now the right time? And just how expensive is this whole process going to be?

To many within an enterprise's IT department, S/4HANA represents an opportunity to improve business processes and streamline IT systems by moving to a future-ready ERP system that can benefit from updates for years to come. But to look at the move as just a technical upgrade misses the point of what S/4HANA offers – not just to established IT landscapes, but also in terms of integrating incompatible systems in the case of mergers and acquisitions.

The most often overlooked benefits of a fully realized migration are the advantages for the senior leadership when it comes to decision-making. S/4HANA is not simply a faster or more streamlined solution, but is a unified data platform of real-time insights and real-time visibility. This unparalleled transparency of each level and each branch of an organization enables faster and more informed decisions that drive growth and innovation, with ancillary benefits including greater scalability, security, compliance, and even cost savings.

Other stakeholders within the business are likely to resist any change to the familiar ways of doing things. That's why it's important to have robust C-suite champions in place for your move to SAP S/4HANA. Not just in terms of resourcing the migration accordingly, but defining the migration and transformation strategy, and how it maps to the company's strategic goals, like moving to the cloud and broader business transformation.

To communicate this, the C-suite needs a deeper understanding of not only what SAP S/4HANA promises, but also what a migration entails on a more granular level. This white paper provides that understanding – supported by in-depth insights from industry insiders, partners, and real world examples that will give you the confidence to transform your business.



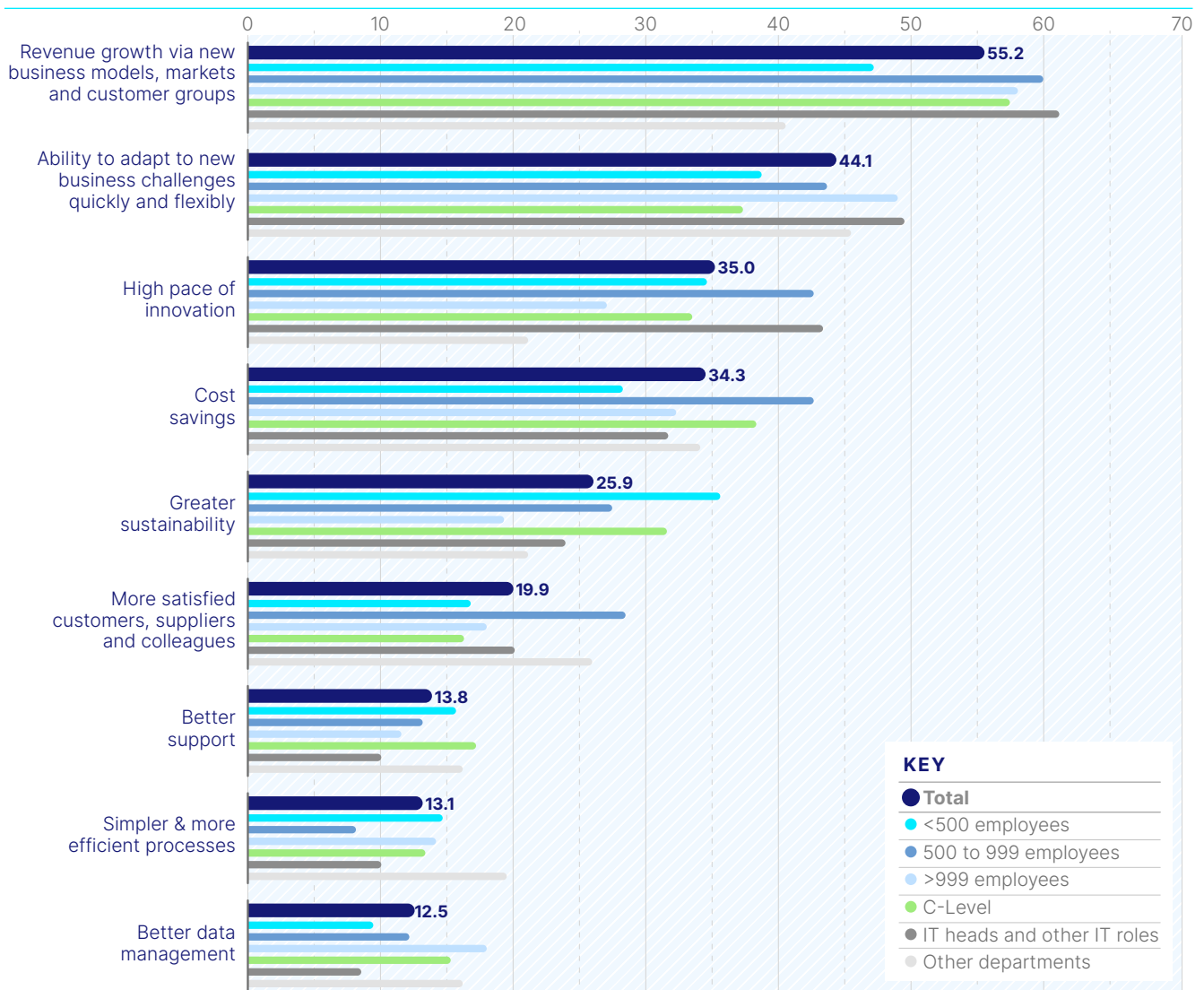
Why make the move?

Supporting your business goals

On a practical level, how does moving to SAP S/4HANA move your business forward? When stakeholders at companies that plan to use an SAP S/4HANA application were asked what specific business benefits they expected, 55% identified sales growth through the development of new business models, markets, and customer groups, followed by 44% for fast and flexible adaptability to new challenges, and 35% for a higher pace of innovation.¹

Figure 1 Business benefit expectations of SAP S/4HANA usage [%]
Multiple responses possible. Max 3 answers. Basis: n = 297

Source: "What are the main specific business benefits that your company expects from using SAP S/4HANA?" Foundry (formerly IDG Communications), SAP S/4HANA Study, 2024



Interestingly, IT stakeholders were more confident about the potential benefits than their C-suite counterparts. 61% believed S/4HANA would aid sales growth through the development of new business models (C-level: 57%), 43% expected a higher pace of innovation (C-level: 33%), and 49% expected better adaptability to new challenges (C-level: 37%).

This gap in expectations between the C-level respondents and the IT stakeholders that are familiar with S/4HANA's capabilities implies a need for closer communication between the two groups about what constitutes business value. A senior leadership seeking to benefit from a migration will obviously benefit more from greater understanding.

Those who have already moved to SAP S/4HANA have seen a significant increase in process efficiency, as well as improved performance due to the technology differences in the solution and the underlying SAP HANA database. In 2023, 62% reported improved process efficiency, while 76% noted better performance compared to previous ERP systems.²

Choosing your approach

The options for exactly how and how much to migrate to SAP S/4HANA will hinge entirely on what your needs are as a business, but can be broken down into three categories:



Greenfield approach

The greenfield approach involves implementing SAP S/4HANA in a fresh and independent environment, starting from scratch without any existing legacy systems.



Brownfield approach

The brownfield approach, also known as system conversion or "lift and shift," involves migrating an existing SAP ECC system to SAP S/4HANA.



BLUEFIELD™ approach

The BLUEFIELD approach can be defined as a hybrid strategy for migrations. It selects and migrates only the data and processes relevant to your business. This allows you to retain customizations without redesigning entire systems.

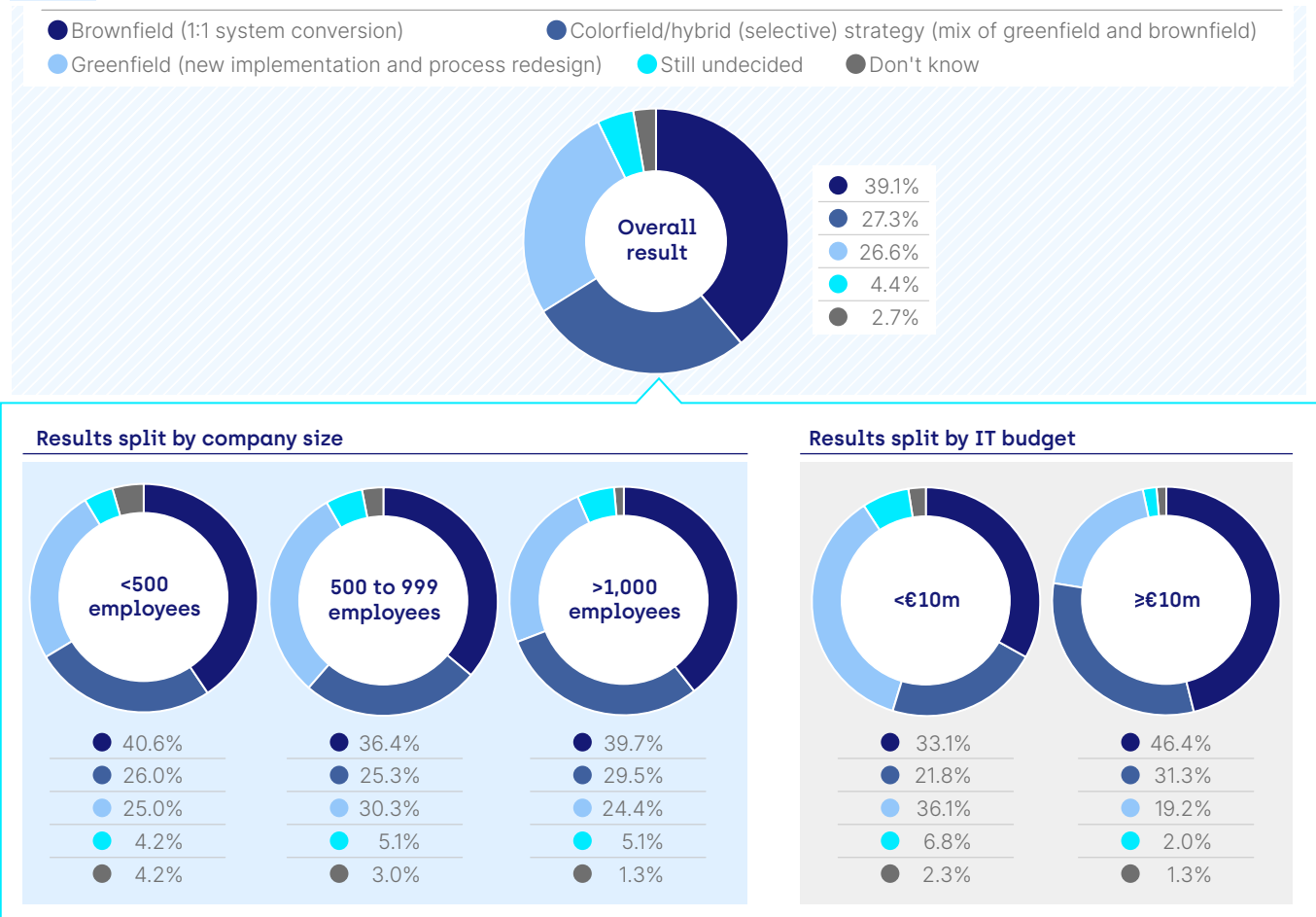
Brownfield migrations are the most common form of S/4HANA migration and are usually the least time and labor intensive. They entail converting an existing SAP system (along with all of its associated customizations and enhancements) on a one-to-one basis, including the data, add-ons, and in-house developments that are still required.

Functionally, this gets a system ready to make the most of SAP S/4HANA features, without taking advantage of them right away. While it doesn't rock the boat as much as other options, it does entail a lot of work just to run in place. Over half of IT managers¹ either completely or strongly agree that innovation opportunities are missed as a result of a brownfield system conversion, while only 39% of department managers and 35% percent of C-level managers hold that view.

Greenfield migrations are more audacious, allowing you to design systems and workflows from scratch. This approach provides the impetus to leave outdated processes and inconsistent data behind and design brand new processes. For this reason, greenfield transitions are often combined with a shift to a new organizational structure or a change to the business model.

The BLUEFIELD or hybrid approach allows you to pick and choose what to bring across and when, and is ideal for consolidating several ERP systems into one. If you're running an international business with several legacy systems, or have recently acquired a new company, this can be an efficient way to combine data from multiple places and reduce your system footprint.

Figure 2



Source: "Which approach is your company using or which did it use to migrate to SAP S/4HANA?" Foundry (formerly IDG Communications), SAP S/4HANA Study, 2024

A note on the cloud

The choice of infrastructure for an SAP environment is essential to an organization's ability to effectively use its SAP stack. The cloud has long been pushed by SAP itself as the natural path for SAP S/4HANA migrations. This is most clearly demonstrated in SAP's RISE offering, a bundling of existing SAP assets facilitating business-transformation-as-a-service, which aims to take the complexity out of elements like license purchases.

This would offer businesses the benefits of agility, scalability, simplified deployment, and the inherent cost-efficiencies of the cloud, but the cloud may not be appropriate or feasible for all use cases. This is why hybrid cloud deployments have been increasing in popularity. Foundry's 2024 research¹ finds that 40% of companies prefer SaaS cloud ERP solutions, while 35% are pursuing a hybrid ERP strategy in which the core ERP is operated on-premise and extended by SaaS cloud applications. Only 16% of respondents work exclusively with an on-premise ERP, marking a clear departure from traditional on-premise setups.

Hybrid deployments are often the best way to take advantage of the cloud while using on-premise resources for specific requirements that only it can satisfy. For example, data sovereignty laws and security laws may call for sensitive data to remain on premises – a common requirement in sectors such as finance, healthcare, or governmental organizations. Latency-sensitive workloads may need to be kept on-premise too in sectors such as manufacturing, where even a small delay can have significant implications.

While industry consensus has coalesced around moving as much to the cloud as possible, it's worth keeping in mind that every enterprise's requirements will be different when it comes to compliance, cost-benefit analysis, and just how hybrid they are able to be.

Migration vs. transformation

Whichever migration approach your organization decides is best, it will sit somewhere on the spectrum between a migration and a transformation. At its simplest, data migration is a process that moves data from one location to another and is a component part of a digital transformation, which is a shift in management strategy involving changes to processes, systems, or even guiding principles.

While a successful and effective data migration is fundamentally important, the overall goal of any migration should be to support a broader business transformation in a way that can benefit the enterprise as a whole. This is what makes a move to SAP S/4HANA more than just an IT project, because its effects should reshape and improve functions throughout the entire organization. Achieving a broader business transformation will require the correct application of internal resources and external support to make sure the process is concluded in a timely manner.

// It's crucial to distinguish between 'transformation' and 'migration,' as they represent different concepts. Migration involves moving data from one location to another, while transformation reshapes and optimizes that data for better use. Having said that, there is a significant overlap between transforming the data in the SAP system and reshaping the business processes and the underlying organisation."

Sylwester Radomski
Lead data scientist at SNP

As component parts of a wider business transformation, data migrations present opportunities to set the pace and scale of the transformation by combining multiple projects into a single go-live. Consolidating the migration of multiple systems and data sets into a single project allows organizations to maximize the migration's efficiency while minimizing the impact on running the business.

Success story



AIRBUS

Airbus worked closely with SNP on a BLUEFIELD migration that combined several transformation projects into a single project plan and implemented them concurrently in just one go-live step. This enabled SNP to transfer master data and transaction data simultaneously along with the complete data history as well as introduce the New General Ledger including a document split – all during the S/4HANA upgrade.

Using a combination of the BLUEFIELD approach and SNP tools guaranteed an efficient and traceable data transformation from the existing systems into the new template.

Key results

- 1 Flexibility and speed thanks to SNP methodology
- 2 Significant reduction of downtime
- 3 Customized transformation steps thanks to the software-based BLUEFIELD approach
- 4 Enormous time saving using the combined migration to S/4HANA, including the New GL and business partners



Benefits to the business

As the financial engine that runs your business operations, SAP S/4HANA is an essential part of any organization's overall digital transformation strategy and is inseparably linked with any move to the cloud. Without a modern ERP system, you'll be left behind your competitors – and behind where your customers and users expect and need you to be.

While this transformation should positively impact your entire organization, it has aspects that will primarily benefit senior leadership stakeholders. Specifically:

Visibility

Is your data being used effectively and by the right people who need to access it to make decisions? The larger and older your business is, the less chance that this is true – especially if your organization has merged with or acquired other businesses in the past. Data that is incompatible with your central ERP system is siloed and often overlooked in analytics, or at the very least slows down your decision-making. A modern and lean S/4HANA infrastructure guarantees visibility across all levels of all subsidiary organizations within an enterprise. This allows for fully informed decision-making.

Agility

Having a clear overview of all your enterprise's data is only as useful as being able to act on it quickly. A platform's ability to integrate and streamline operations across various functions such as finance, supply chain, and HR enables your organization to be more agile. This flexibility helps to quickly adapt to evolving business environments, implement new business models, scale operations, take advantage of M&A opportunities quickly, and even speed up closing the books every month. This unified approach has obvious advantages in terms of speed of decision-making, but also in terms of decision-making confidence – knowing that choices are being considered in light of all available information.

Compliance

SAP S/4HANA's modern system landscape ensures the most up-to-date compliance tools and built-in risk management features. This helps the senior leadership feel confident their organization adheres to regulatory requirements across different markets. Automated compliance checks and real-time risk monitoring reduce the likelihood of costly penalties and reputational damage.

